

STATE OF CALIFORNIA
OFFICE OF THE ADJUTANT GENERAL
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Sacramento, California 95821-4405

CAL ARNG Regulation
No. 37-7

1 August 1988

Financial Administration
PROCESSING AND PAYMENT OF COMMERCIAL ACCOUNTS

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SECTION I - GENERAL

1. **PURPOSE.** This regulation prescribes policies and procedures to process accounts payable (commercial accounts). It applies to all commercial payments processed through the USPFO Commercial Accounts (CAUS-CA) Section for payment by the Finance and Accounting Officer (F&AO), Presidio of San Francisco, California.

2. REFERENCES.

- a. Army Regulation 37-107, Accounts Payable.
- b. CAL ARNGR 715-1, Federal Purchasing and Contracting Program.
- c. Federal Acquisition Regulation (FAR); the Department of Defense FAR Supplement (DFARS), and the Army FAR Supplement (AFARS).
- d. Prompt Payment Act (1 Oct 82).

SECTION II - RECEIVING AND ACCEPTANCE REPORTS

3. **PURPOSE.** This section prescribes policy, responsibilities, and administrative procedures for the receipt and acceptance of supplies and services furnished to the California Army National Guard by a commercial business concern.

4. DEFINITIONS.

- a. "Acceptance" - An acknowledgment by the receiver that the supplies or services furnished by a vendor conform with the applicable quality and quantity requirements outlined in the order/contract and that the items were provided in total (i.e., a complete shipment).
- b. Complete Shipment - The quantity received (for each item on the contract document) agrees in total with the quantity ordered.
- c. Contract - A mutually binding legal relationship obligating the seller (vendor) to furnish supplies or services and the buyer (Federal Government, CAL ARNG) to pay for them. It includes all types of commitments that obligate the Federal Government to an expenditure of appropriated funds, and except as otherwise authorized, are in writing. In this section, the term is expanded to include delivery and purchase orders and other procurement (contract) documents.

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d. Contracting - Includes purchasing, renting, leasing, or otherwise obtaining supplies or services from non-federal sources. Contracting includes the description (but not determination) of supplies and services required; selection and solicitation of sources; preparation and award of contracts; and all phases of contract administration.

e. Discount - A vendor's offer to accept a reduced payment in exchange for receiving an earlier payment. Discounts are usually stated in percentages, such as 2 percent/10 days. In this example, the vendor will accept a 2 percent payment reduction in exchange for a check dated 10 days after the supplies or services are "accepted".

f. Interest Payment Penalty - It is the Department of the Army's policy to pay all accounts when due. When payments are not made on time or discounts are taken after the discount period has ended, the Federal government must pay an interest penalty to the business concern.

g. Prompt Payment Act - This Act (Sections 3901-3906, Title 31, U.S.C.) requires Federal agencies to pay their bills on time, to pay interest penalties when payments are made late and to take discounts only when payments are made within the discount period. Compliance with the Act should result in timely payments, better business relationships with suppliers (vendors), improved competition for Government business, and reduced costs to the Federal Government for goods and services.

h. Receiver - The individual who represents the California Army National Guard (CAL ARNG) unit, facility, activity installation, etc. (i.e., "Authorized Government Representative").

i. USPFO Purchasing and Contracting (CAUS-PC) Office - The contracting office awards or executes a contract for supplies or services and performs post award functions not assigned to a contract administration office.

5. RESPONSIBILITIES.

a. Contracting Officer (CAUS-PC), USPFO - The USPFO Contracting Officer is the sole government agent who may enter into Federal purchase commitments with a vendor. Therefore, all supplies or services provided to CAL ARNG units/activities must be supported by a properly prepared purchase/delivery order (contract) awarded by the contracting officer.

b. Commercial Accounts Section (CAUS-CA), USPFO - Commercial Accounts personnel prepare, audit and process all payment

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vouchers for supplies and services purchased for the California Army National Guard. This functional responsibility includes:

(1) Ensuring all supporting documents (i.e., the documents which authorize the F&AO to legally disburse funds) are attached to the payment voucher. The minimum documentation required to support and accompany each payment voucher are:

(a) A procurement authorizing document (i.e., purchase/delivery order - contract).

(b) A receiving or acceptance report.

(c) A vendor's invoice.

(2) Determining whether a vendor (payee) is entitled to a particular type payment per regulations and/or other authorizing procurement document terms.

(3) Computing amounts due, the correct payment date, discounts deductible, or interest penalties required, in accordance with the 1982 Prompt Payment Act.

(4) Submitting completed vouchers to the Finance and Accounting Officer (F&AO), Presidio of San Francisco, California for payment so the check will have the correct payment date.

c. Finance and Accounting Officer (F&AO), Presidio of San Francisco - The F&AO is responsible for:

(1) Implementing procedures to make commercial payments to vendors in accordance with the Prompt Payment Act.

(2) Ensuring that all commercial accounts payments are legal and proper and that the documents support the disbursement of Federal funds.

d. Command Responsibilities - Interest payment penalties and lost discounts resulting from the late submission of receiving and acceptance reports is an item of Congressional interest. Therefore, commanders/supervisors of CAL ARNG units/activities must ensure that all receiving/acceptance documents and vendor invoices are forwarded to the USPFO, ATTN: CAUS-CA, P.O. Box 8104, San Luis Obispo, California 93403-8104, within 2 working days after date of delivery of goods or completion of services. If this cannot be accomplished, notify CAUS-CA immediately by telephone stating the contract/order number and the reason(s) for not forwarding the documents. Telephone notifications will be followed with written notification. The submission of receiving/

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acceptance reports and/or vendor invoices within the required two day timeframe will enable the California Army National Guard to obtain maximum benefit from discounts offered, avoid interest payment penalties, and comply with the intent of the 1982 Prompt Payment Act.

6. RECEIPT OF PURCHASE (OR DELIVERY) ORDER BY UNIT/ACTIVITY.

The USPF0 Contracting Officer enters into a purchase commitment with the vendor for supplies or services by awarding a "Purchase (or Delivery) Order", DD Form 1155, (Appendix A). The DD Form 1155, when properly executed (signed) by the USPF0 Contracting Officer, is a legally binding document. Two copies of the DD Form 1155 are forwarded to the unit or activity scheduled to receive/accept the supplies or services. One copy is to be used by the unit/activity (receiver) to acknowledge the acceptance of the supplies or services as outlined within this section. The other copy of the DD Form 1155 should be retained in the unit's/activity's functional files as a contractual document.

7. VENDOR'S INVOICE.

a. Description. The vendor's invoice is a bill or written request for payment from a business concern (vendor) for supplies or services provided to the Federal Government.

b. Invoice Submission. The vendor should forward the "original" invoice (plus 3 duplicates) directly to the payment office (USPF0, CAUS-CA) as shown in block #15 of the purchase/delivery order (DD Form 1155). In the event the vendor erroneously submits the invoice directly to the unit/activity the unit/activity will immediately send the invoice to CAUS-CA. If a unit/activity receives an invoice from the vendor and subsequently loses or destroys it, the commander/supervisor must immediately notify the USPF0 Commercial Accounts Section.

8. **ADMINISTRATIVE PROCEDURES FOR ACCEPTANCE AND RECEIPT.** The forms accepted by CAUS-CA as acceptance/receiving reports are the DD Form 1155 (Order for Supplies and Services/Request for Quotation), and the DD Form 250 (Material Inspection and Receiving Report), respectively. The difference between their use and instructions for their completion is provided below:

a. DD Form 1155 (Order for Supplies or Services/Request for Quotation).

(1) The DD Form 1155 provides, in one document, a purchase/delivery order (contract), an "acceptance" report, a property voucher, and when supported by a vendor's original

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invoice, a payment voucher. The DD Form 1155 will only be used by a unit/activity to acknowledge the "acceptance" of supplies or services.

(2) If a unit/facility uses the DD Form 1155 to acknowledge the acceptance of goods or services the receiver is stating that the quality and quantity of all items indicated on the DD Form 1155 were delivered in total, and were in complete agreement with the purchase/delivery order. The DD Form 1155 should be completed as follows:

(a) Quantity Ordered/Accepted (Block #20, DD Form 1155). On the DD Form 1155, (Appendix A), complete item # 20, "Quantity Ordered/Accepted" by placing a check mark by each quantity accepted only if it is the same as the quantity ordered. If the quantity received (for any item) is different than the quantity ordered and the vendor has not indicated this is a final shipment then follow the instructions in paragraph 8b below.

(b) "Acceptance" (Block #26, DD Form 1155). Complete item #26 of DD Form 1155 by placing a checkmark in the block entitled "Accepted and Conforms to the Contract Except as Noted". If the goods/services received do not conform to the contract you do not have "Acceptance". The receiver must sign (as the Authorized Government Representative) and date item #26. The date will be the date the unit/activity accepted the supplies or services. The unit/activity must forward one copy of DD Form 1155 to CAUS-CA within 2 working days after date of delivery of goods or completion of services.

b. DD Form 250 (Material Inspection and Receiving Report).

(1) In the event of a partial delivery/shipment, the receiver must prepare a DD Form 250, Material Inspection and Receiving Report (Appendix B). A separate DD Form 250 will be prepared for each partial shipment received. Receiving personnel will forward one completed copy to CAUS-CA within 2 working days after the date of partial delivery. NOTE: DD Forms 250 may be ordered from the USPFO Publications Branch IAW CAL ARNGR 310-5.

(2) Receiving personnel are required to complete the following blocks of DD Form 250:

(a) "Procurement Instrument Identification (Contract)" - This block will contain the authorization number of the original procurement instrument (Purchase/Delivery Order) as awarded by the USPFO Contracting Officer. This number is commonly referred to as the "DAHA" Number and is indicated in blocks #1 or #2 of the DD Form 1155. (The "DAHA" Number is

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commonly referred to as the "Customer Order Number" on vendor packing/delivery slips.)

(b) "Prime Contractor" (Block #9) - Enter the vendor's business name and complete mailing address. This information can be extracted from Block #9 of the DD Form 1155.

(c) "Shipped To" (Block #13) - Enter the name and complete mailing address of the unit/activity receiving the partial shipment. A phone number should be provided to allow Contracting and/or Commercial Accounts personnel to contact the receiver.

(d) "Item No" (Block #15) - For each partial shipment of an item received enter the corresponding item number from Block #18 of the DD Form 1155.

(e) "Stock/Part No" / "Description" Block #16) - Enter the stock/part number, and description of the item received. This information will be reflected on the vendor's packing/delivery slip and should be compared to the information in block #19 of DD Form 1155.

(f) "Quantity Shipped/Received" Block #17) - Enter the actual quantity received for each applicable item number.

(g) "Unit" (Block #18) - Enter the unit of issue (i.e., each, box, case, etc.).

(h) "Receiver's Use" (Block #22) - Completion of Block #22 indicates the receipt of the quantity entered in block # 17 of DD Form 250. Block #22 will reflect the date the partial shipment was received, and the typed name, rank and signature of the "Authorized Government Representative" (receiver).

SECTION III - CERTIFICATION OF CONTINUING SERVICES

9. **PURPOSE.** This section prescribes policy, responsibilities and administrative procedures for acknowledging the receipt and acceptance of continuing services furnished to the California Army National Guard by a commercial concern.

10. DEFINITIONS.

a. Continuing Services - Services such as rent, equipment maintenance, janitorial service, leased equipment etc., that are performed continuously under agency-vendor agreements.

b. "Services"/(Contract) - A contract that directly engages the time and efforts of a vendor (contractor) whose primary purpose is to perform an identified task rather than to furnish

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an end item of supply. Some types of service contracts are: maintenance and repair, of supplies, systems or equipment; routine recurring maintenance of real property and housekeeping, consulting, engineering and technical services.

11. ADMINISTRATIVE PROCEDURES FOR CERTIFICATION OF CONTINUING SERVICES.

a. Procurement documents (i.e., DD Form 1155, Purchase/Delivery Order) for continuing services which require the vendor to perform services on an "on-call" basis should be viewed by units/activities as an "Insurance Policy". This means, the vendor is on-call in the event a unit needs to have service performed on a piece of equipment. The vendor is only required, unless specified differently in the contract, to perform services when notified by a unit of the need for service. A unit must immediately notify the USPFO Contracting Office when a vendor has been contacted to perform services yet fails to perform them and/or is not complying with the full terms of the contract.

b. Continuing services that are performed under procurement documents that specify the payment of definite amounts at fixed intervals (billing periods) may be paid by CAUS-CA without the submission of a Material Inspection and Receiving Report (DD Form 250) for each billing period. Units must submit a DD Form 250 for only the first and last months of the applicable "Life of the Agreement/Period of Maintenance Service" (as indicated in block #19, Schedule of Supplies/Services, DD Form 1155), for example:

If the maintenance contract requires the vendor to service a piece of equipment on an on-call basis and the life of the Agreement/Period of Maintenance Service is 1 Oct 1987 through 30 Sep 1988; the unit must submit to the USPFO, ATTN: CAUS-CA, a DD Form 250 on the last day of the month for the months of Oct 87 and Sep 88.

c. The following items will be completed on the DD Form 250:

(1) "Procurement Instrument Identification (contract)" (Block #1) - This block will contain the contract number, commonly referred to as the "DAHA Number" and is indicated in block #1 of the DD Form 1155.

(2) "Prime Contractor" (Block #9) - Enter the vendor's business name.

(3) "Shipped To" (Block #13) - Enter the name and complete mailing address of the unit/activity submitting the DD Form 250.

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(4) "Stock/Part/"Description" (Block #16) - Enter the following certification statement: "I understand that the services as provided in the purchase order are available to this organization."

(5) "Receiver's Use" (Block #22) - Enter the date, and the typed name, rank and signature of the "Authorized Government Representative".

d. One (1) copy of each certified DD Form 250 for continuing services will be forwarded to the USPFO, ATTN: CAUS-CA, within two (2) working days following the end of the applicable certification month.

SECTION IV - BLANKET PURCHASE AGREEMENTS

12. **PURPOSE.** This section prescribes policy, responsibilities and administrative procedures for activities authorized Blanket Purchase Agreements (BPAs).

13. RESPONSIBILITIES.

a. Contracting Officer (CAUS-PC), USPFO. The USPFO Contracting Officer appoints Blanket Purchase Authority ordering officers to place calls (orders) against Blanket Purchase Agreements (BPA).

b. BPA Ordering Officer. Responsible for reviewing and becoming familiar with the provisions of CAL ARNGR 715-1, pertaining to Blanket Purchase Agreements.

14. ADMINISTRATIVE PROCEDURES FOR PAYMENT OF BLANKET PURCHASE AGREEMENTS (BPA).

a. BPA Ordering Officers must ensure that DA Forms 3953, Purchase Request and Commitment, contain the correct accounting/funding classification information for the fiscal year within which items were ordered.

b. Signed invoices or delivery slips must be attached to the DA Forms 3953 for all merchandise received. Call numbers and invoice numbers must be listed on the DA Form 3953.

c. Completed DA Forms 3953 must be submitted through the USPFO, ATTN: CAUS-PC in enough time to ensure they are received in Commercial Accounts (CAUS-CA) no later than the 25th of the month.

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SECTION V - PHONE BILLS

15. **GENERAL.** Units/activities should consult CAL ARNGR 105-4, Administrative Policies and Procedures for Federal Telecommunications Services, for the administrative procedures to be followed for the receipt and payment of phone bills for federally funded telecommunications services.

ORDER FOR SUPPLIES OR SERVICES				Form Approved OMB No. 0704-0187 Expires Jul 31, 1989		PAGE 1 OF 2/TZ		
1. CONTRACT/PURCH ORDER NO. GS-10F-485688		2. DELIVERY ORDER NO. DAHAOF88-F-0260		3. DATE OF ORDER 14 Jun 88		4. REQUISITION/PURCH REQUEST NO.		
6. ISSUED BY USPFO FOR CALIFORNIA P.O. BOX 8104 SAN LUIS OBISPO, CA 93403-8104 CAUS-PC/(805) 544-4900 X149 KAY SCHULTZ				7. ADMINISTERED BY (If other than 6) 		8. DELIVERY FOB <input type="checkbox"/> DEST <input type="checkbox"/> OTHER (See Schedule if other)		
9. CONTRACTOR NAME AND ADDRESS • ECONOMICS LAB, INC. ATTN: MIKE FOSTER 1431 LALOMA DRIVE • NIPOMO, CA 93444 A/C: (805) 929-5816				10. DELIVER TO FOB POINT BY (Date) ASAP/NLT 30 JUN 88		11. MARK IF BUSINESS IS <input checked="" type="checkbox"/> SMALL <input type="checkbox"/> SMALL DISADVANTAGED <input type="checkbox"/> WOMEN-OWNED		
14. SHIP TO DET 2, STARC, CSLO P.O. BOX 8104, BLDG 1323 SAN LUIS OBISPO, CA 93403-8104 ATTN: CW3 SMITH, (805) 549-8143				15. PAYMENT WILL BE MADE BY USPFO FOR CALIFORNIA ATTN: CAUS-CA/(805) 544-4900 X234 P.O. BOX 8104 SAN LUIS OBISPO, CA 93403-8104		13. MAIL INVOICES TO SEE SCHEDULE		
18. TO ORDER FOR DELIVERY <input type="checkbox"/> PURCHASE <input type="checkbox"/> This delivery order is issued on another Government agency or in accordance with and subject to terms and conditions of above numbered contract. Reference your _____ furnish the following on terms specified herein. ACCEPTANCE. THE CONTRACTOR HEREBY ACCEPTS THE OFFER REPRESENTED BY THE NUMBERED PURCHASE ORDER AS IT MAY PREVIOUSLY HAVE BEEN OR IS NOW MODIFIED, SUBJECT TO ALL OF THE TERMS AND CONDITIONS SET FORTH, AND AGREES TO PERFORM THE SAME.								
17. ACCOUNTING AND APPROPRIATION DATA/LOCAL USE 2182065 18-1004 P52589M.13 (26EB) DAHA0488F0260 /LGO SO4376 1070.20								
18. ITEM NO. 19. SCHEDULE OF SUPPLIES/SERVICE 20. QUANTITY ORDERED/ACCEPTED 21. UNIT 22. UNIT PRICE 23. AMOUNT								
1		DISHWASHING SOAP, SOLID POWER 54 LB BOXES, PN: 10371 (CONFIRMING TELEPHONE ORDER) REF: M5J 8165-0100			✓ 20	BX	53.51	1070.20
* If quantity accepted by the Government is same as quantity ordered, indicate by X. If different, enter actual quantity accepted below quantity ordered and encircle.				24. UNITED STATES OF AMERICA (SIGNED) BY: CHARLES H. PAINTER, LTCJ, GS-CAL ARNGR/16 JUN 88		25. TOTAL 1070.20		
26. QUANTITY IN COLUMN 20 HAS BEEN <input type="checkbox"/> INSPECTED <input type="checkbox"/> RECEIVED <input checked="" type="checkbox"/> ACCEPTED, AND CONFORMS TO THE CONTRACT EXCEPT AS NOTED 30 JUN 88 DATE SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE <i>John Able SFC</i>				27. SHIP NO. <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL		28. D.O. VOUCHER NO.		
36. I certify this account is correct for payment. FOR WILLIAM P. MONGOLO, COL, NGB USPFO FOR CALIFORNIA FOR DONALD MORTON, LTJG, NGB DATE _____ SIGNATURE OF AUTHORIZING OFFICER _____				31. PAYMENT <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL		32. PAID BY		
37. RECEIVED AT		38. RECEIVED BY FINANCE AND ACCOUNTING OFFICER		40. TOTAL CONTAINERS		41. S/R ACCOUNT NUMBER		
						42. S/R VOUCHER NO.		

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APPENDIX B

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MATERIAL INSPECTION AND RECEIVING REPORT		1. PROC. INSTRUMENT IDEN. (CONTRACT)		(ORDER) NO	6 INVOICE	7. PAGE	OF
		DAHA004-88-M-1395				8. ACCEPTANCE POINT	
2. SHIPMENT NO.	3. DATE SHIPPED	4. B/L		5. DISCOUNT TERMS			
		TCN					
9. PRIME CONTRACTOR		CODE		10. ADMINISTERED BY		CODE	
JONES & SMITH HARDWARE 1600 SOUTH K ST. SAN LUIS OBISPO, CA 93403-8101							
11. SHIPPED FROM (# other than 9)		CODE		12. PAYMENT WILL BE MADE BY		CODE	
		FOB:					
13. SHIPPED TO		CODE		14. MARKED FOR		CODE	
HEADQUARTERS ATTN: SUPPLY DIVISION CAMP ROBERTS, CA 93451-8210 (805) 238-8111/AV 949-8111							
15. ITEM NO.	16. STOCK/PART NO. <small>(Indicate number of shipping containers - type of container - container number.)</small>	17. QUANTITY * SHIP/REC'D *	18. UNIT	19. UNIT PRICE	20. AMOUNT		
5.	DOWLING JIG, P/N 04-059	1	EA				
6.	CENTER SQUARE, P/N 46-101	3	EA				
7.	BEADING ROUTING BIT, P/N 05-611	3	EA				
8.	FLUSH LAMINATE TRIM ROUTER BIT	1	EA				
9.	HINGE MORTISE ROUTER BIT	2	EA				
10.	BEVEL LAMINATE TRIM ROUTER BIT	1	EA				
13.	BULL NOSE RABBIT PLAN	2	EA				
17.	TROPEDO LEVEL	3	EA				
21. PROCUREMENT QUALITY ASSURANCE				22. RECEIVER'S USE			
A. ORIGIN		B. DESTINATION		Quantities shown in column 17 were received in apparent good condition except as noted.			
<input type="checkbox"/> POA <input type="checkbox"/> ACCEPTANCE of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or on supporting documents.		<input type="checkbox"/> POA <input type="checkbox"/> ACCEPTANCE of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or on supporting documents.		22 JUN 88			
DATE		SIGNATURE OF AUTH GOVT REP		DATE RECEIVED			
				SIGNATURE OF AUTH GOVT REP			
TYPED NAME AND OFFICE		TYPED NAME AND TITLE		TYPED NAME AND OFFICE			
				SFC JOHN DOE			
23. CONTRACTOR USE ONLY				* If quantity received by the Government is the same as quantity shipped, indicate by (✓) mark. If different, enter actual quantity received below quantity shipped and encircle.			

"SAMPLE"

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(CAUS-PE)

BY ORDER OF THE GOVERNOR:



AND BY COPY
COL (DA), FA C ARNG
Director of Administration

DISTRIBUTION:

A

ROBERT C. THRASHER
Major General
The Adjutant General